



State of Wisconsin  
**Group Life Insurance**  
**FACT SHEET 2004**

**I. Underwriters:** Minnesota Life Insurance Company

**II. Types of Coverage**

**Basic Coverage**

- Coverage for employees up to age 70 if employed, age 65 if retired, equal to the previous year's Wisconsin Retirement System (WRS) earnings, rounded to the next higher \$1,000.
- At age 65, eligible state retirees receive post-retirement coverage premium free. The amount of coverage will reduce to 75% of the Basic coverage amount at age 65 and further reduce to 50% of the Basic coverage amount at age 66 and thereafter. The final coverage amount for some local employees decreases to 25% of the Basic coverage amount at age 67 and thereafter, depending on the level of post-retirement coverage elected by the employer.

**Supplemental Coverage**

- Coverage for active employees up to age 70 equal to the previous year's earnings, rounded to the next higher \$1,000. Retirees may continue coverage until age 65.

**Additional Coverage**

- Coverage for active employees up to age 70 for up to three times the previous year's earnings, rounded to the next higher \$1,000. Retirees may continue coverage until age 65.

**Over Age 70 Additional Coverage**

- Coverage for active employees over the age of 70 for up to three times the previous year's earnings, rounded to the next higher \$1,000. Coverage may not be continued after retirement.

**Spouse and Dependent Coverage**

- An insured employee's legal spouse and dependent children are eligible for coverage.
- Coverage: Spouse = \$10,000/unit; Each Dependent = \$5,000/unit. Employees may purchase either one or two units of coverage.
- Coverage ceases when employee retires or reaches age 70, whichever occurs first.

**Other Benefits**

- Accidental Death, Dismemberment, and Loss of Use benefit, up to the total amount of insurance in force, is included with Basic, Supplemental, and Additional coverage. It is not included in Over Age 70 Additional or Spouse and Dependent Coverage.
- A waiver of premium provision provides that if an employee becomes totally and permanently disabled, no premiums are required for continued coverage for the duration of the disability.

**III. Costs**

2004 Employee Monthly Rates Per \$1,000 of Insurance					
Attained Age	STATE			LOCAL	Spouse and Dependent
	Basic	Supplemental	Additional	Basic, Supplemental and Additional	
Under 30	\$.05	\$.05	\$.06	\$.05	<u>State</u>
30-34	.05	.05	.07	.06	\$2.00 per month for each unit of coverage
35-39	.05	.05	.07	.07	
40-44	.07	.07	.09	.09	
45-49	.11	.11	.15	.15	
50-54	.18	.18	.24	.29	Local \$2 per month for each unit of coverage
55-59	.28	.28	.38	.47	
60-64	.38	.38	.51	.53	
65-69	.50 *	.50	.68	.60 *	
70 and Over	FREE *	N/A	N/A	*	

\* Basic Coverage is free on retirement at age 65 and thereafter.

## **Employer Costs**

### **Basic Coverage**

- State contributions cover a portion of the cost of current coverage and the cost of future post-retirement coverage. The state pays an amount equal to 63% of the employee premium.
- Local employer premiums cover the cost of post-retirement coverage. Employers who elect a 50% post-retirement benefit pay an amount equal to 40% of the employee premium; those who elect a 25% post-retirement benefit pay an amount equal to 20% of the employee premium.

### **Supplemental Coverage**

- The state pays an amount equal to 35% of the employee premium. Local government employers are not required to contribute toward the premium.

### **Additional Coverage**

- All costs are paid by the employee.

### **Spouse and Dependent Plan**

- All costs are paid by the employee.

## **IV. Program Statistics for 2003**

<u>Basic Plan</u>	<u>State</u>	<u>Local</u>
Employees	56,087	83,716 *
Retired employees	13,112	17,305
Coverage		
Active	\$2,525,292,000	\$3,281,854,000
Annuitant	\$248,541,250	\$152,082,937
Claims		
Active	\$7,231,540	\$7,983,442
Annuitant	\$6,919,258	\$3,986,298
Premium	\$8,049,721	\$8,856,880
<u>Supplemental Plan</u>		
Employees	41,003	18,128
Coverage	\$1,876,086,000	\$736,895,000
Claims	\$5,638,022	\$2,094,689
Premium	\$5,173,571	\$1,442,082
<u>Additional Plan</u>		
Employees	23,721	30,192
Coverage	\$1,976,044,000	\$2,325,771,000
Claims	\$4,479,403	\$4,978,168
Premium	\$4,162,552	\$4,404,523
<u>Spouse &amp; Dependent</u>		
Employees	25,064	35,366
Coverage	\$590,340,000	\$844,175,000
Claims	\$1,363,388	\$1,344,795
Premium	\$1,303,679	\$1,450,770
<u>Total Reserves</u>	\$297,163,568	\$177,724,111

\* Representing 636 local government employers, including 160 school systems